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**IN THE UNITED STATES DISTRICT COURT FOR THE  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE DIVISION**

**UNITED STATES OF AMERICA,**  
**Plaintiff,**

**v.**

**NICHOLAS A. MUNOZ, Jr., individually and  
 d/b/a Professional Tax Services, LLC, and its  
 successor, First Tax Firm, Inc.,  
 Defendants.**

**No. C-12-2545-HRL**

**STIPULATED ~~PROPOSED~~  
ORDER OF PERMANENT  
 INJUNCTION**

The United States of America has filed a Complaint for a Permanent Injunction against Nicholas A. Munoz, individually and d/b/a Professional Tax Services, LLC. and its successor, First Tax Firm, Inc.

Without admitting or denying the allegations of the complaint, except as to personal and subject matter jurisdiction, which Nicholas Munoz admits, Nicholas Munoz has consented to entry of this Stipulated Order of Permanent Injunction, and waives the entry of findings of fact and conclusions of law. Munoz further understands that this permanent injunction constitutes the final judgment in this matter, and he waives any rights he may have to appeal from this judgment.

The parties agree that entry of this Stipulated Order of Permanent Injunction resolves only the civil injunction action, and neither precludes the government from pursuing any other current

1 or future civil injunction action, and neither precludes the government from pursuing any other  
2 current or future civil or criminal matters or proceedings, nor precludes the defendant from  
3 contesting his liability in any matter or proceeding.

4 NOW, THEREFORE, and for good cause shown, it is accordingly ORDERED,  
5 ADJUDGED and DECREED that:

6 Pursuant to 26 U.S.C. ("I.R.C.") §§ 7402, 7407 and 7408, Nicholas Munoz, individually  
7 and doing business as Professional Tax Services, LLC, and/or First Tax Firm, Inc. (hereafter  
8 collectively, "Munoz"), and his representatives, agents, servants, and employees, are permanently  
9 enjoined from directly or indirectly:

- 10 (1) Acting as a federal tax return preparer, or requesting, assisting in, or directing the  
11 preparation or filing of federal tax returns for any person other than himself or his  
12 legal spouse, or appearing as a representative on behalf of any person or entity  
13 whose tax liability is under examination or investigation by the Internal Revenue  
14 Service;
- 15 (2) Instructing, advising, or assisting, either directly or indirectly, others to violate the  
16 tax laws, including to evade the payment of taxes;
- 17 (3) Engaging in activity subject to penalty under I.R.C. § 6694, i.e.,  
18 preparing federal income tax returns that improperly understate  
19 customers' tax liabilities;
- 20 (4) Engaging in activity subject to penalty under I.R.C. § 6695, i.e.,  
21 failing to file correct information returns;
- 22 (5) Engaging in activity subject to penalty under I.R.C. § 6701, i.e., aiding, assisting  
23 in, procuring, or advising with respect to the preparation of any portion of a  
24 return, affidavit, claim or other document, when Munoz knows or has reason to  
25 believe that portion will be used in connection with a material matter arising  
26 under the federal tax law, and Munoz knows that the relevant portion will result in  
27 the material understatement of the liability for the tax of another person;

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1 (6) Representing, either directly or indirectly, any person other than himself or his  
2 legal spouse before the Internal Revenue Service;

3 (7) Assisting, either directly or indirectly, in the representation of any person other  
4 than himself or his legal spouse before the Internal Revenue Service;

5 (8) Engaging in any other conduct that substantially interferes with the proper  
6 administration and enforcement of the internal revenue laws.

7 IT IS FURTHER ORDERED that Munoz is prohibited from owning, controlling, or  
8 managing any business involving tax return preparation and/or the provision of tax advice, or  
9 maintaining a presence in any premises, whether an office, place of business, dwelling, or other  
10 abode, where tax returns are being prepared for a fee or professional tax services are being  
11 provided;

12 IT IS FURTHER ORDERED that Munoz shall cause a copy of the permanent injunction  
13 to be provided to every employee of PTS and First Tax Firm, Inc. and shall cause a copy of this  
14 Order of Permanent Injunction to be placed in a conspicuous location at Professional Tax  
15 Services, LLC. and First Tax Firm, Inc. to be displayed there for a period of three years and that  
16 he shall file with the Office of the United States Attorney for the Northern District of California,  
17 Tax Division, located in San Francisco, within 30 days of the date the permanent injunction is  
18 entered, a certification signed under penalty of perjury stating that a copy of the permanent  
19 injunction has been provided to every employee of PTS and First Tax Firm, Inc. and a copy of  
20 this Order of Permanent Injunction has been placed in a conspicuous location at Professional Tax  
21 Services, LLC. and First Tax Firm, Inc.

22 IT IS FURTHER ORDERED that the United States is permitted to engage in post-  
23 judgment discovery to ensure compliance with this permanent injunction;

24 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for  
25 purposes of implementing and enforcing this permanent injunction; and

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IT IS FURTHER ORDERED that, pursuant to Fed. R. Civ. P. 65(d)(2), counsel for the United States is authorized to arrange for personal service of this order on the defendant.

SO ORDERED this 6th day of June, 2012.

Lucy H. Koh  
UNITED STATES DISTRICT JUDGE

Consented to and submitted by:

MELINDA HAAG  
United States Attorney

/s/ Cynthia Stier Cynthia Stier  
CYNTHIA STIER  
Assistant United States Attorney  
Tax Division

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